

Message Text

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71

ACTION ARA-08

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R 102158 Z MAY 73

FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 9776
INFO AMEMBASSY TEHRAN

C O N F I D E N T I A L CARACAS 4017

LIMDIS

EO 11652: GDS

TAGS: ECON OCIP VE

SUBJECT: CONVERSATION WITH IRANIAN AMBASSADOR

REF: CARACAS 4000

1. RELEVANT TO CARACAS 4000, IRANIAN AMBASSADOR CALLED ON ME THIS MORNING TO ASK MY CONFIDENTIAL AND FRIENDLY ADVICE AS TO WHETHER HIS SHAH SHOULD VISIT VENEZUELA FOLLOWING HIS CALL ON PRESIDENT NIXON NEXT JULY IN WASHINGTON. HE WAS PARTICULARLY WORRIED ABOUT SECURITY.

2. I SAID THAT FROM MY PREVIOUS EXPERIENCE OF MANY U. S. OFFICIAL VISITS, AND OUR PRESENT PREOCCUPATION WITH THE FORTHCOMING ARRIVAL OF OUR SECRETARY OF STATE, I WAS CONFIDENT THAT VENEZUELAN SECURITY FORCES COULD CERTAINLY PROTECT THE SHAH OF IRAN. I MENTIONED THE POSSIBILITY WHICH I HAD DISCUSSED WITH SOME OF GOVERNOR ROCKEFELLER'S REPRESENTATIVES, THAT IN LATTER'S CASE I THOUGHT WE COULD ENLIST SUPPORT OF GOV FOR A HELICOPTER TRIP FROM AIRPORT TO ROCKEFELLER RANCH IN CARABOBO. CLEARLY A MORE SIMPLE LOGISTICAL PROBLEM
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COULD BE SOLVED (AS WE ARE DOING NEXT WEEK) IN LIFTING SHAH OF IRAN FROM MAIQUETIA INTERNATIONAL AIRPORT TO LA CARLOTA, CARACAS AIRPORT, OR EVEN BY HELICOPTER TO THE NEW CHIEF OF STATE GUEST HOUSE INAUGURATED LAST SATURDAY AT CIRCULO MILITAR BY PRESIDENT CALDERA.

3. SO MUCH FOR SECURITY. HERE I WILL ADD THAT IRANIAN AMBASSADOR TOLD ME HE WOULD TELEGRAPH TEHRAN THAT, AFTER CONSULTATION WITH ME, HE SAW NO PARTICULAR SECURITY OBSTACLE TO A VISIT BY THE SHAH.

4. IRANIAN AMBASSADOR THEN WENT ON TO SAY THAT HE HAD RECENT CONVERSATIONS WITH MINISTER OF HYDROCARBONS AND MINISTER OF FOREIGN AFFAIRS IN WHICH HE HAD SOUGHT TO POINT OUT THAT VENEZUELANS SEEMED TO BE LIVING IN THE DECADE OF THE 1940' S. HE SAID, " WE CAN ALL MAKE MUCH MORE MONEY IF BOTH YOU AMERICANS AND WE PERSIANS AND PERHAPS ALSO THE VENEZUELANS MAKE 20 PERCENT PROFIT RATHER THAN 6 PERCENT PROFIT." HE SAID THAT THE VENEZUELANS SEEMED TO REGARD THE OIL SITUATION AS IF THEY WERE GAMBLERS IN A POKER GAME WHERE THERE WERE \$500 MILLION ON ONE SIDE AND THEY INSISTED ON CONTINUING TO PLAY WITH FIVE DOLLARS.

5. MY IRANIAN COLLEAGUE SAID HE HAD DISCUSSED BOTH WITH FONMIN AND WITH MINISTER OF HYDROCARBONS POSSIBLE READINESS OF IRAN AND THE ARABIAN OIL PRODUCING STATES TO INVEST VERY LARGE AMOUNTS OF CAPITAL IN THE INDUSTRIES OF THE LOWER ORINOCO AND IN FURTHER OIL DEVELOPMENT IN VENEZUELA. HOWEVER, AS YET HE HAD RECEIVED NO RESPONSE.

6. COMMENT: I THINK IF IN FACT OUR OIL PRODUCING FRIENDS IN THE PERSIAN GULF WOULD BE WILLING TO INVEST CAPITAL IN VENEZUELA, IT MIGHT BE TO EVERYONE' S ADVANTAGE IN REDUCING OUTGOING FLOW OF U. S. DOLLARS FOR SUCH CAPITAL INVESTMENT, WITH EXPECTATION THAT OUR MARKET FOR VENEZUELAN OIL, PARTICULARLY IN THE ORINOCO BELT, WOULD BE PRACTICALLY GUARANTEED. IT IS CERTAINLY IN OUR INTEREST

TO HAVE A NON- OIL CONSUMING NATION MAKING THIS INVESTMENT OR ELSE
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WE ARE LIABLE TO FIND THE JAPANESE SEWING UP THIS OIL SOURCE AS THEY ARE DOING ELSEWHERE IN THE WORLD. IN THE EVENT THAT THE VENEZUELANS DO NOT ACCEPT THE PERSIAN OFFER TO INVEST IN THE ORINOCO TAR BELT, WE MIGHT CONSIDER ENCOURAGING THE VAST SOURCE OF CAPITAL TO BE INVESTED IN OUR OWN SHALE OIL DEPOSITS AND AT THE SAME TIME OBTAIN A HOSTAGE FOR OUR ACCESS TO PERSIAN OIL.

MCCLINTOCK

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